Higher education providers in the United States can expect strong demand from international students for the next ten years. Why? Because that is the unstated conclusion in three separate market assessments from its main competitors. In the last twelve months, groups in the United Kingdom, Canada, and Australia have issued reports about likely future trends. While the three reports have different methodologies, intended audiences, and some variance in definitions and coverage, there is sufficient commonality to make a few key generalizations.

All three reports forecast an increase in the total number of international students over the next ten years due to a projected increase in the global higher education population. The first of these three market surveys, released in mid-2012 by the British Council, identifies the drivers behind this growth: real increases in the overall population of 18 to 22-year-olds, and in the purchasing power in emerging economies despite the recent recession. It estimates that by 2020, the global population of higher education students will grow by about 21 million, to roughly 190 million students overall.

Since the 1990s, the proportion of students studying outside their home country worldwide has been relatively constant at around 2 percent, what the British Council calls a “stable propensity to study abroad.” As domestic participation in higher education increases, a fixed proportion of those new domestic students will want to study elsewhere.

It is easy to be skeptical about this fixed 2-percent preference. Some might think it is too high, because as the quality of domestic higher education improves worldwide, there is a reduced impetus for many to study outside their borders. Additionally, the global recession may have made overseas study less affordable. Others, however, might think the percentage is too low because of the continued growth of the middle class in India and China, which increases the numbers who can afford international studies. Structural changes in economies which demand more skilled labor—and the continuation of strong premiums for higher education in the labor market—may also drive up demand. It is better to characterize the fixed rate of 2 percent as a conservative assumption, and use it as reference point to gauge the reliability of other forecasting techniques.

The British Council, guided by this fixed-preference percentage, also looked at specific trends for nations with large or burgeoning higher education populations, thus enabling it to demonstrate the flow of students into and out of specific economies, covering enough nations to reveal major trends. Real increases in domestic higher education participation in China, India, Indonesia, and Brazil, for example, could add an additional 25 million to the...
student population by 2020. Using country-specific rates to measure the propensity to study abroad, the British Council forecasted that by 2020 those four countries could add approximately 100,000 international students to the total pool seeking university placement abroad. It also forecasts that large increases in students from Nigeria, Malaysia, Pakistan, Turkey, and Saudi Arabia, which—along with students from some other larger nations—could generate an additional 100,000 students seeking international study.

Overall, the British Council sees the total international demand for higher education reaching 2.86 million students by 2020. The Canadian and Australian reports include multiple forms of education in their market surveys, including certificate courses, shorter courses, and language studies, as well as university-based courses. The Canadian study uses an OECD forecast that projects international student numbers reaching 6.4 million by 2025. The Australian report uses the UNESCO projection of 7 million international students by 2020. Whatever the actual size of the increase, there is the shared assumption that at least half of the growth will be people wanting an English-language program of study. That is about 1.5 to 2 million students in all sectors, and about half of them (750,000) will be seeking a higher education credential.

That leads to the question of where these additional higher education students are going to be admitted. After the United States, the market leader has been Australia. But Australia’s costs, on some measures, are now higher; Australia simply does not have enough room in its universities. The Australian market report uses the most sophisticated models of demand, differentiating between sectors and courses and building three scenarios with different growth rates. It factors in institution-specific estimates of capacity. The key conclusion is that Australia can take another 100,000 to 120,000 international students, a growth that leads to 520,000 students by 2020. This would mean international students would constitute 22.7 percent of all higher education students in Australia.

Canada does not seem to face the same capacity constraints. Its market assessment suggests that Canada can continue to enroll, without additional significant infrastructure expenditure, 7 percent additional international students per year. This has been the rate of growth for the last 5 years, and if it is sustained, Canada will enroll an additional 210,000 students by 2020.

The British Council’s forecast for the United Kingdom is for an additional 30,000 international university students by 2020. But it notes that fee increases may limit the growth in numbers from Europe and that visa restrictions and cultural preferences may push and pull students to other destinations. Since the British Council’s report was issued, fees and visa regulations have been seen as constraints on international student growth, suggesting that the forecast could be “over optimistic.”

Generalizing across the three reports, the outlook is increased demand for international post-secondary education between now and 2020. Demand for English language-based post-secondary education is likely to increase by 750,000. Canada’s goal is to recruit an additional 210,000 students in this category; meanwhile, Australian authorities see 100,000 additional students as a possibility. The United Kingdom, focusing principally on university places, might enroll an additional 30,000. That leaves around 400,000 estimated students seeking an English language-based education. Where will they go? The United States is the most likely destination, as it has been first choice for most students in the past. If the U.S. took its current market share of 18 percent of the forecasted increase of 750,000, it would enroll an additional 135,000 students, leaving an estimated 265,000 students still seeking English language-based education.

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4Sum of nation-specific increases, Figure 4.5. British Council, *Shape of Things to Come*, 43.
One alternative may be English language-based programs in other places. Those could be the 100,000 or so English-language colleges or universities in approximately 200 existing “branch campuses,” such as Houston Community College or Carnegie Mellon in Qatar, and Florida State University in Panama, or the yet un-quantified number of post-graduate programs in Europe delivered in English, as well as new undergraduate opportunities in Asia and the Middle East. A different path might include increased enrollments in transnational education programs, or nationally branded courses delivered in other countries. While these programs have grown with strong market leadership from Australia and the United Kingdom, consumer preference has tended toward “onshore” programs, where the student is immersed in an English-language environment. If this preference holds, the pressure for study locations will fall heavily on U.S. institutions.

In summary, global demand is up, the Australian market is approaching saturation, Canada is planning for growth at current rates to sustain market share, and U.K. capacity is constrained by price and visa policy. That leaves the U.S. market as the focus of unmet demand for onshore, English language-designated education for the next five to ten years.

What are the implications for U.S. institutions? One obvious outcome is increased opportunities for internationalization of campuses as the numbers of applicants increases and as the diversity of students widens (with countries other than India, China, and South Korea sending students to study abroad). Managing a growth of interest and consequent applications will be a real issue for many medium- or smaller-sized campuses. Additionally, balancing the demand from international students for increased access with the challenges of maximizing participation of domestic students—those who need more college education to take full advantage of economic opportunities—will be a significant policy question for many public and private colleges, and for state legislatures.

For federal agencies, there will be real questions about increased numbers of visa applications. There may be some interest in the commercial significance of increased demand. The smaller and less complex higher education markets in Australia, Canada, and the United Kingdom make it easier to produce forecasts of future demand and to make assessments of domestic capacity, but it would be timely for federal agencies to look at possible scenarios for the United States.

Regardless of the accuracy of the three available assessments over time, it seems likely that the character of U.S. higher education will continue to change as its student body increasingly internationalizes.

**Works Cited**

